

N.M. Oil Cons. Div-Dist. 2  
1301 W. Grand Avenue  
Artesia, NM 88210

Form 3160-3  
(April 2004)

RECEIVED

FORM APPROVED  
OMB No. 1004-0137  
Expires March 31, 2007

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

APR 08 2005

APPLICATION FOR PERMIT TO DRILL OR REENTER

1a. Type of work: <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER		5. Lease Serial No. LC065300
1b. Type of Well: <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input checked="" type="checkbox"/> Single Zone <input type="checkbox"/> Multiple Zone		6. If Indian, Allottee or Tribe Name
YATES PETROLEUM CORPORATION 105 SOUTH 4 <sup>TH</sup> STREET ARTESIA NM 88210		7. If Unit or CA Agreement, Name and No.
3b. Phone No. (include area code) 432 687 5969 Indian Basin		8. Lease Name and Well No. BIGUN Federal Com # 1
4. Location of Well (Report location clearly and in accordance with any State requirements.) At surface 1200 FNL, 1800 FWL Unit C Sec. 18 At proposed prod. zone 900 FSL, 1250 FWL Unit N Sec. 7		9. API Well No. BGV 30-015-34058
14. Distance in miles and direction from nearest town or post office* 35 Miles NW of Carlsbad		10. Field and Pool, or Exploratory Morrow West
15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any) 900		11. Sec., T-R. M. or Blk. and Survey or Area 7, T21S, R23E
16. No. of acres in lease 572.64		12. County or Parish Eddy
17. Spacing Unit dedicated to this well 286.32		13. State NM
18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft. 900		
19. Proposed Depth 9528 MD		
20. BLM/BIA Bond No. on file Pending		
21. Elevations (Show whether DF, KDB, RT, GL, etc.) 4097		
22. Approximate date work will start* 04/15/2005		
23. Estimated duration 30 Days		

24. Attachments

The following, completed in accordance with the requirements of Onshore Oil and Gas Order No.1, shall be attached to this form:

- Well plat certified by a registered surveyor.
- A Drilling Plan.
- A Surface Use Plan (if the location is on National Forest System Lands, the SUPO shall be filed with the appropriate Forest Service Office).
- Bond to cover the operations unless covered by an existing bond on file (see Item 20 above).
- Operator certification
- Such other site specific information and/or plans as may be required by the authorized officer.

25. Signature: *Robert T. Elliott* Name (Printed/Typed) *ROBERT T. ELLIOTT* Date *1-28-05*

Title *President*

Approved by (Signature) */s/ Maria Ketson*

Name (Printed/Typed) */s/ Maria Ketson*

Date *APR - 5 2005*

Title *FIELD MANAGER*

Office *CARLSBAD FIELD OFFICE*

FOR

Application approval does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.  
Conditions of approval, if any, are attached.

APPROVAL FOR 1 YEAR

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

\*(Instructions on page 2)

APPROVAL SUBJECT TO  
GENERAL REQUIREMENTS  
AND SPECIAL STIPULATIONS  
ATTACHED

CARLSBAD CONTROLLED WATER BASIN

District I  
1625 N. French Dr., Hobbs, NM 88240  
District II  
1301 W. Grand Avenue, Artesia, NM 88210  
District III  
1000 Rio Brazos Road, Aztec, NM 87410  
District IV  
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico  
Energy Minerals and Natural Resources

Oil Conservation Division  
1220 South St. Francis Dr.  
Santa Fe, NM 87505

Form C-144  
March 12, 2004

For drilling and production facilities, submit to appropriate NMOCD District Office.  
For downstream facilities, submit to Santa Fe office

**Pit or Below-Grade Tank Registration or Closure**

Is pit or below-grade tank covered by a "general plan"? Yes ☐ No ☐

Type of action: Registration of a pit or below-grade tank ☐ Closure of a pit or below-grade tank ☐

Operator: YATES PETROLEUM CORPORATION Telephone: (505) 748-1471

e-mail address: \_\_\_\_\_

Address: 105 South Fourth Street, Artesia, NM 88210

Facility or well name: Bigun BGU Federal Com. #1 API # 30-015-34058 U/L or Qtr/Qtr N Sec 7 T 21S R 28E

County: Eddy Latitude N32° 28' 57.39" Longitude 104° 38' 31.24" NAD: 1927 X 1983 ☐ Surface Owner Federal ☒ State Private ☐ Indian ☐

**Pit**

Type: Drilling ☐ Production ☒ Disposal ☐

Workover ☐ Emergency ☐

Lined ☒ Unlined ☐

Liner type: Synthetic ☒ Thickness 12 mil Clay ☐ Volume 20,000 bbl

**Below-grade tank**

Volume: \_\_\_\_\_ bbl Type of fluid: \_\_\_\_\_

Construction material: \_\_\_\_\_

Double-walled, with leak detection? Yes ☐ If not, explain why not. \_\_\_\_\_

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APR 04 2005

WULFMEISSIA

Depth to ground water (vertical distance from bottom of pit to seasonal high water elevation of ground water.)	Less than 50 feet	(20 points)	
	50 feet or more, but less than 100 feet	(10 points)	
	100 feet or more	(0 points)	0
Wellhead protection area: (Less than 200 feet from a private domestic water source, or less than 1000 feet from all other water sources.)	Yes	(20 points)	
	No	(0 points)	0
Distance to surface water: (horizontal distance to all wetlands, playas, irrigation canals, ditches, and perennial and ephemeral watercourses.)	Less than 200 feet	(20 points)	
	200 feet or more, but less than 1000 feet	(10 points)	
	1000 feet or more	(0 points)	0
Ranking Score (Total Points)			

**If this is a pit closure:** (1) attach a diagram of the facility showing the pit's relationship to other equipment and tanks. (2) Indicate disposal location:

onsite ☐ offsite ☐ If offsite, name of facility \_\_\_\_\_. (3) Attach a general description of remedial action taken including remediation start date and end date. (4) Groundwater encountered: No ☐ Yes ☐ If yes, show depth below ground surface \_\_\_\_\_ ft. and attach sample results. (5) Attach soil sample results and a diagram of sample locations and excavations.

I hereby certify that the information above is true and complete to the best of my knowledge and belief. I further certify that the above-described pit or below-grade tank has been/will be constructed or closed according to NMOCD guidelines ☐, a general permit X or an (attached) alternative OCD-approved plan ☐.

Date: 4/1/05

Printed Name/Title Cy Cowan, Regulatory Agent

Signature \_\_\_\_\_

Your certification and NMOCD approval of this application/closure does not relieve the operator of liability should the contents of the pit or tank contaminate ground water or otherwise endanger public health or the environment. Nor does it relieve the operator of its responsibility for compliance with any other federal, state, or local laws and/or regulations.

Approval: APR 11 2005

Date: \_\_\_\_\_

Printed Name/Title \_\_\_\_\_

Signature \_\_\_\_\_

# State of New Mexico

Energy, Minerals and Natural Resources Department

DISTRICT I  
1625 N. FRENCH DR., BOHRS, NM 88240

DISTRICT II  
1301 W. GRAND AVENUE, ARTESIA, NM 88210

DISTRICT III  
1000 Rio Brazos Rd., Aztec, NM 87410

DISTRICT IV  
1220 S. ST. FRANCIS DR., SANTA FE, NM 87505

## OIL CONSERVATION DIVISION 1220 SOUTH ST. FRANCIS DR. Santa Fe, New Mexico 87505

Form C-102  
Revised JUNE 10, 2003  
Submit to Appropriate District Office  
State Lease - 4 Copies  
Fee Lease - 3 Copies

### WELL LOCATION AND ACREAGE DEDICATION PLAT

☐ AMENDED REPORT

API Number	Pool Code	Pool Name
Property Code	Property Name <b>BIGUN FEDERAL COM</b>	Well Number <b>1</b>
OGRID No.	Operator Name <b>RDR OPERATING, INC.</b>	Elevation <b>4097'</b>

#### Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
C	18	21-S	23-E		1200	NORTH	1800	WEST	EDDY

#### Bottom Hole Location If Different From Surface

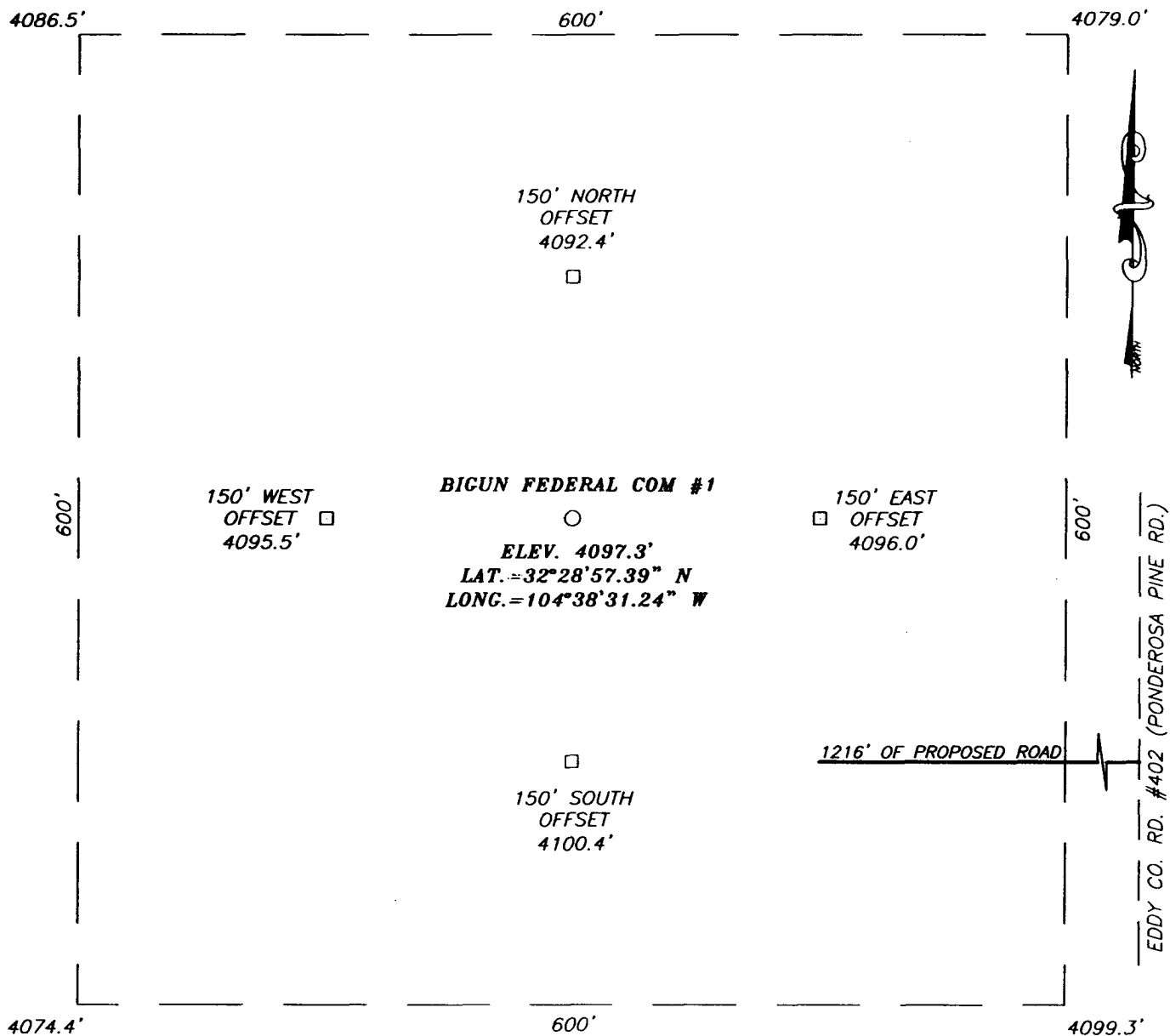
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
N	7	21-S	23-E		900	SOUTH	1250	WEST	EDDY

Dedicated Acres	Joint or Infill	Consolidation Code	Order No.
<b>286</b>			

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED  
OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

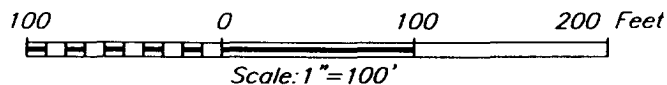
<p>SECTION 7</p> <p>SECTION 18</p> <p>SCALE - 1" = 2000'</p>	<p>B.H. Y=541525.8 N X=404273.9 E</p> <p>GEODETIC COORDINATES NAD 27 NME SURF. Y=539423.5 N X=404815.7 E</p> <p>LAT.=32°28'57.39" N LONG.=104°38'31.24" W</p>	<h4>OPERATOR CERTIFICATION</h4> <p>I hereby certify the the information contained herein is true and complete to the best of my knowledge and belief.</p> <p><i>Roger T. Elliott</i> Signature <b>ROGER T. ELLIOTT</b> Printed Name <b>President</b> Title <b>1-28-05</b> Date</p> <h4>SURVEYOR CERTIFICATION</h4> <p>I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.</p> <p><b>AUGUST 20, 2004</b></p> <p>Date Surveyed <b>JR</b> Signature &amp; Seal of Professional Surveyor <i>Gary E. Eidsen</i> 8/27/04 04.11.1058 Certificate No. <b>GARY EIDSON</b> 12641</p>
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SECTION 18, TOWNSHIP 21 SOUTH, RANGE 23 EAST, N.M.P.M.,  
EDDY COUNTY, NEW MEXICO



**DIRECTIONS TO LOCATION**

FROM THE INTERSECTION OF EDDY CO. RD. #401  
(MARATHON RD.) AND EDDY CO. RD. #402  
(PONDEROSA PINE RD.) GO N/NW ON CO. RD.  
#402 FOR APPROX. 3.2 MILES TO A PROPOSED  
ROAD SURVEY. FOLLOW PROPOSED ROAD SURVEY  
APPROX. 1300' WEST TO PROPOSED LOCATION.



**RDR OPERATING, INC.**

BIGUN FEDERAL COM #1 WELL  
LOCATED 1200 FEET FROM THE NORTH LINE  
AND 1800 FEET FROM THE WEST LINE OF SECTION 18,  
TOWNSHIP 21 SOUTH, RANGE 23 EAST, N.M.P.M.,  
EDDY COUNTY, NEW MEXICO.

Survey Date: 08/20/04	Sheet 1 of 1 Sheets		
W.O. Number: 04.11.1058	Dr By: J. RIVERO	Rev 1:N/A	
Date: 08/24/04	Disk: CD#10	04111058	Scale: 1"=100'



PROVIDING SURVEYING SERVICES  
SINCE 1948  
**JOHN WEST SURVEYING COMPANY**  
412 N. DAL PASO  
HOBBS, N.M. 88240  
(505) 383-3117

## APPLICATION FOR PERMIT TO DRILL

**RDR OPERATING INC.**  
**BIGUN FEDERAL COM #1**  
**SURFACE: 1200 FNL, 1800 FWL**  
**Sec 18 T21S R23E**  
**BHL: 900 FSL, 1250 FWL**  
**Sec 7 T21S R23E**  
**Eddy County, NM**

In conjunction with Form 3160-3, Application for Permit to Drill, RDR Operating Inc submits the following items of pertinent information in accordance with Onshore Oil and Gas Order Nos. 1 & 2, and with all other applicable federal and state regulations.

1. Geological Name of Surface Formation: Quarternary
2. Estimated Tops of Important Geological Markers:

	MD	TVD
3 <sup>rd</sup> Bone Spring SS	4745'	4650'
Wolfcamp	4988'	4860'
Cisco	7520'	7050'
Strawn	8015'	7500'
Atoka	8734'	8205'
Morrow	9028'	8500' *
PTD	9528'	9000'

\* Primary Reservoir Target  
+ Secondary Reservoir Target

3. Estimated Depth of Anticipated Fresh Water, Oil or Gas:

	MD	TVD	
Water Sands	Above 285'		Reference WW in SE4 of Sec 7
Morrow	9028'	8500''	Gas

\*\* Potentially productive horizons in the 8 3/4" hole section to be protected by the 5-1/2" casing with cement at least 500' above upper most zone.

4. Proposed Casing Program:

Hole Size	Interval(MD)	Casing OD	Description
17-1/2"	0'-300'	13-3/8"	48# H-40, STC
12-1/4"	300'-1500'	9-5/8"	36# J-55, LTC,
8-3/4"	1500'- 9164'	5-1/2"	17# L-80 LTC

Proposed Cementing Program:

13-3/8" Surface Casing: Cement with 220 SX Light(12.5 PPG 2.06 YLD)  
Followed by 100 SX Class "C" neat with 2 %CaCl).

9-5/8" Intermediate Casing: Cement with 425 sxs Cl C w/ 3% gel followed by  
100 sxs Cl C w/ 2% CaCl.

WITNESS

5-1/2" Production Casing: Cement w/1000 sx CL "H" + .04% CFR-3 + 0.5%  
Halad-344 + 0.1% HR-7 + 1 pps salt (13.0 ppg,  
1.65 ft<sup>3</sup>/sx). Estimate TOC @ 1500'.

5. Pressure Control Equipment:

The blowout preventer equipment (BOPE) shown in Exhibit D will be utilized for  
the 8 3/4" hole sections as follows:

- 5000 psi WP rating for the 8 3/4" hole section

The 5M BOPE assembly will consist of a 5000 psi WP double ram-type  
preventer (4-1/2" pipe and blind rams) and a 5000 psi WP annular preventer (API  
RP53 Fig. 2c.5), nipples up on the 9-5/8" intermediate casing and used  
continuously until setting the 5-1/2" casing at total depth of 9528'

BOPE will be tested as follows:

- Prior to drilling out from 9-5/8" casing – test ram-type preventers and  
choke manifold to 5000 psi and annular to 50% of rated WP using  
independent tester and test plug.

A rotating head will be installed on top of the annular preventer before drilling  
below the 9-5/8" casing @ 1500'.

All BOP's will be hydraulically operated. Pipe rams will be operationally  
checked each 24 hour period. Blind rams will be operationally checked on each  
trip out of hole. The kill line will be 2" minimum and will include a remote  
connection. The choke line will be 3" minimum. A complete choke manifold  
schematic is shown in Exhibit E.

**NOTE:** Contractor choke manifold has 5000 psi rating. Hydraulic choke and remote choke line valve required for 8 3/4" hole section only.

6. Proposed Mud System:

The proposed mud system will be a combination of fresh water, brine, cut brine, and polymer gel. The depth and mud properties of the mud system are listed below.

Depth (MD)	Type	Weight (ppg)	Viscosity (sec)	Fluid Loss (cc)
0'-1500'	Air	NA	NA	NA
1500'-7000'	Fresh Water	8.4-9.0	28-30	Not Critical
7000'-9528'	FW/XCD	8.4-9.0	34-38	<10

Sufficient mud materials to maintain the above mentioned mud properties and meet minimum lost circulation and weight increase requirements will be kept at the location at all times.

7. Auxiliary Well Control and Monitoring Equipment:

- A Kelly cock will be kept in the drill string at all times.
- A full opening drill pipe stabbing valve (inside BOP) with proper drill pipe connections will be on the rig floor at all times.
- A mud logging unit complete with H2S detector will be monitoring drilling penetration rate and hydrocarbon shows from 4500' to TD.
- PVT/FLO-sensor equipment will be rigged up and operating at 7000' TVD (prior to drilling into the Cisco formation).

8. Drillstem Testing, Logging and Coring Programs:

- Drillstem tests: None planned
- Electric logs: CNL-LDT-DIL-MCFL: TD to 1500' (CNL-GR to surface).
- Optional logs: SFT, EMI
- Coring: None planned

9. Abnormal Conditions, Pressures, Temperatures, & Potential Hazards:

This area is known for problematic reservoirs in the shallow intervals from surface to approximately 1500'.

Attached as Exhibit "F" is the Drilling Plan. Due to Surface constraints, the well will be directionally drilled. The Kickoff point will be 3400' and follow the proposed drilling plan shown in Exhibit "F".

No abnormal pressures and/or temperatures are anticipated. Estimated BHP is 3900 psi. No hydrogen sulfide or other hazardous gases or fluids are expected on this location, but equipment will be rigged up as a precaution (see attached H2S operating plan).

10. Anticipated Starting Date and Duration of Operations:

The anticipated start date will be April 15, 2005. Once commenced, drilling operations should be completed in approximately 30 days. If the well is productive, another 15 days will be required for completion work and facility installation.



11. OTHER INFORMATION

- A. The topography is of rolling hills with vegetation consisting of native grasses and vegetation. The soils are rocky and very shallow.
- B. The surface owner is the BLM, Carlsbad NM.
- C. An Archeological survey will be performed once final acceptance by BLM of Surface location. The Archeological survey will be submitted under separate cover.

12. OPERATOR'S REPRESENTATIVE

RDR Operating field representative for contact regarding compliance with the Surface Use Plan is:

Before, during, and after construction:

Russ Mathis

415 W. Wall Suite 1510A

Midland, TX 79701

Office: 432-687-5969

Mobile: 432-638-0764

Res: 432-687-5537

13. CERTIFICATION

I hereby certify that I, or persons under my direct supervision, have inspected the proposed drill site and access route; that I am familiar with the conditions which currently exist; that the statements made in this plan are to the best of my knowledge, true and correct; and that the work associated with the operations proposed herein will be performed by RDR Operating Inc. and its contractors/subcontractors in conformity with this plan and the terms and conditions under which it is approved. This statement is subject to the provisions of 18 U.S.C. 1001 for the filing of a false statement.

Name: \_\_\_\_\_

Russ Mathis  
Engineer

Date: \_\_\_\_\_

1-28-05

United States Department of the Interior  
BUREAU OF LAND MANAGEMENT  
Roswell Office  
2909 West Second Street  
Roswell, New Mexico 88201

Statement Accepting Responsibility for Operations

Operator name: RDR Operating Inc.  
Street or box: 415 W. Wall Suite 1510 A  
City, State: Midland, TX  
Zip code: 79701

The undersigned accepts all applicable terms, conditions, stipulations, and restrictions concerning operations conducted on the leased land or portion thereof, as described below:

Lease No.: LC 065300, NM 0485160, E-10170-9, VB 0543

Legal Description of Land: S2 of Section 7, T21S, R23E

Formation(s) (if applicable):

Bond Coverage: (State if individually bonded or another's bond)  
Statewide

BLM Bond File No.: Pending

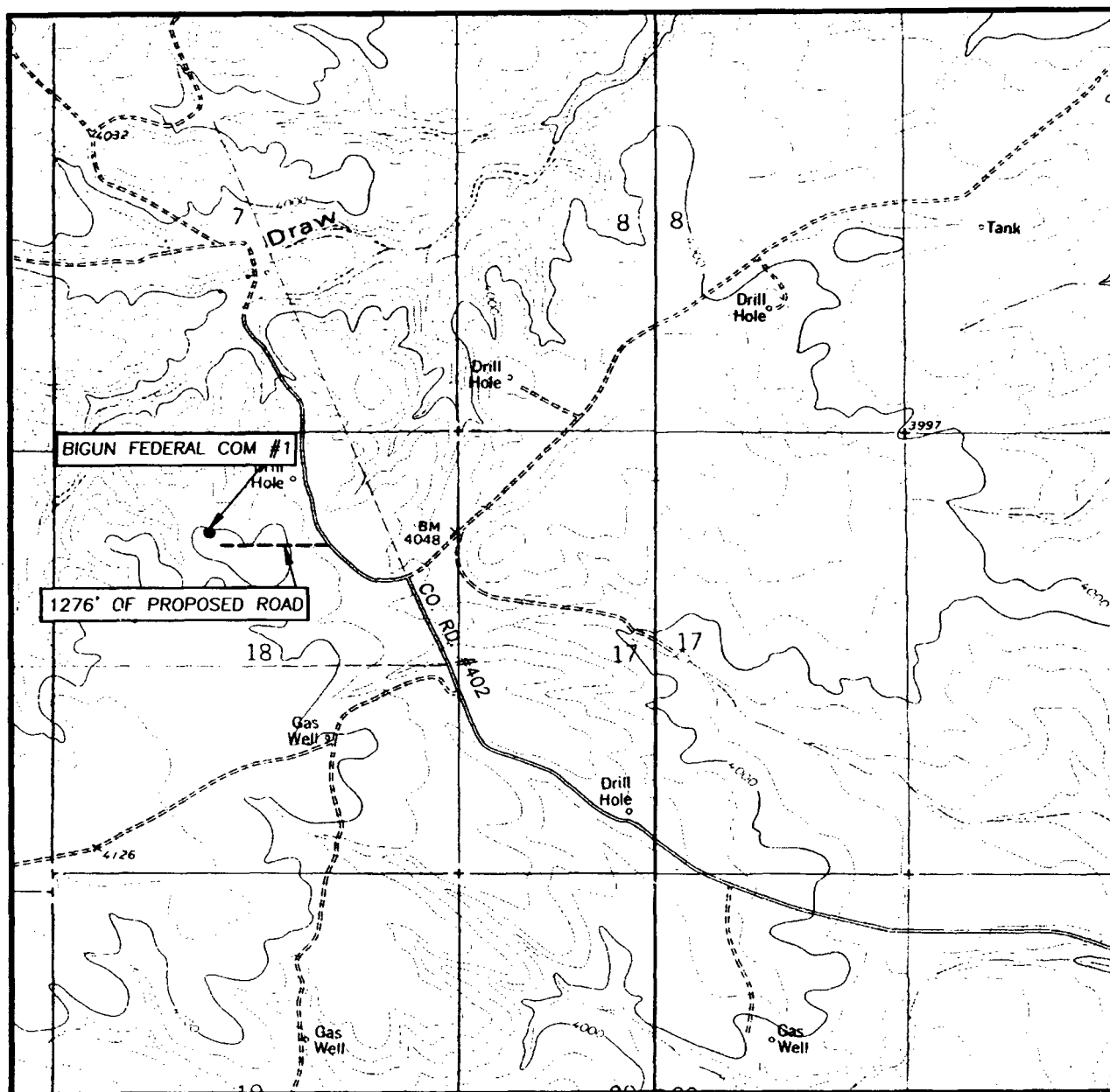
Authorized Signature: 

Roger Elliott

Title: President

Date: 1-28-06

# LOCATION VERIFICATION MAP



SCALE: 1" = 2000'

CONTOUR INTERVAL:  
CAWLEY DRAW, N.M. - 20'

SEC. 18 TWP. 21-S RGE. 23-E

SURVEY N.M.P.M.

COUNTY EDDY

DESCRIPTION 1200' FNL & 1800' FWL

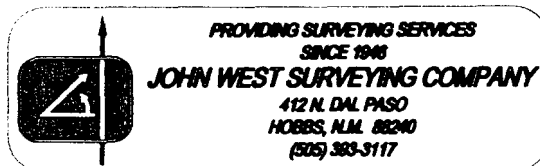
ELEVATION 4097'

OPERATOR RDR OPERATING, INC.

LEASE BIGUN FEDERAL COM

U.S.G.S. TOPOGRAPHIC MAP

CAWLEY DRAW, N.M.



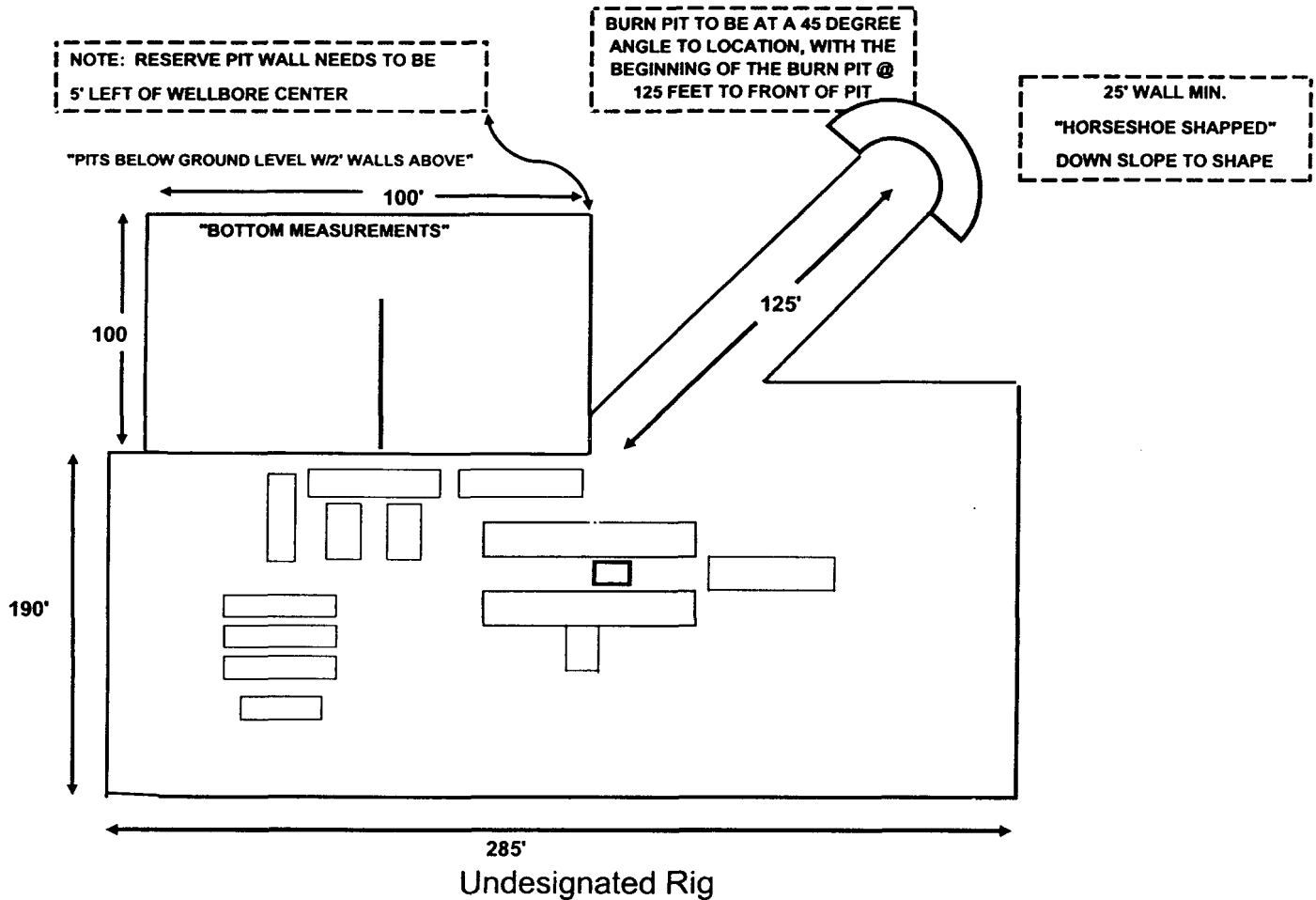
PROVIDING SURVEYING SERVICES  
SINCE 1946

**JOHN WEST SURVEYING COMPANY**

412 N. DAL PASO  
HOBBS, N.M. 88240  
(505) 383-3117

BIGUN FEDERAL COM # 1  
Surface: 1200 FNL, 1800 FWL  
Sec 18, T21S, R23E  
Eddy County, NM

Exhibit "C"



**LOCATION:**

- 6" COMPACTED CALICHE
- CELLAR - 8' x 8' x 8' "WITH BACKHOE"

**ROAD:**

- 14' WIDE - 6" COMPACTED CALICHE W/ TURNOUTS

**NOTES:**

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**RDR OPERATING INC.**  
**BIGUN FEDERAL COM #1**  
**SURFACE: 1200 FNL, 1800 FWL**  
**Sec 18 T21S R23E**  
**BHL: 900 FSL, 1250 FWL**  
**Sec 7 T21S R23E**  
**Eddy County, NM**

**EXHIBIT D**  
**BOP SCHEMATIC**

(SH Rated Working Pressure)

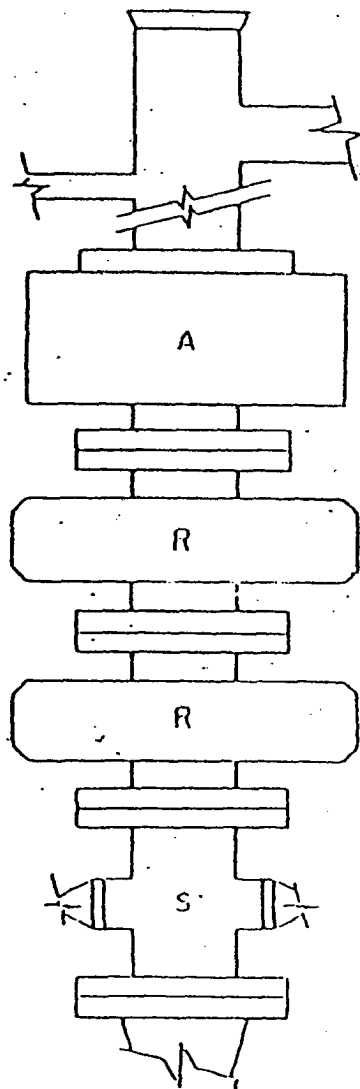
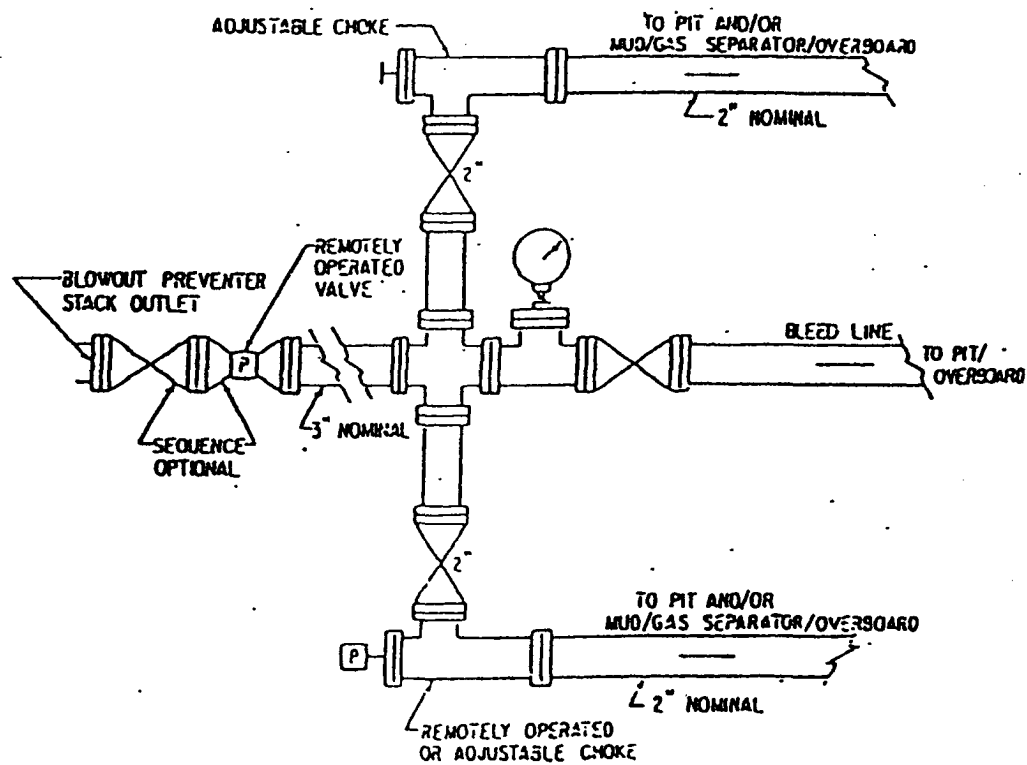


FIG. 2.C.5  
ARRANGEMENT 5-HRA  
Double Ram Type Preventers, R<sub>2</sub> Option:

**RDR OPERATING INC.**  
**BIGUN FEDERAL COM #1**  
**SURFACE: 1200 FNL, 1800 FWL**  
**Sec 18 T21S R23E**  
**BHL: 900 FSL, 1250 FWL**  
**Sec 7 T21S R23E**  
**Eddy County, NM**

**EXHIBIT E**  
**CHOKE MANIFOLD**

**(5M Rated Working Pressure)**

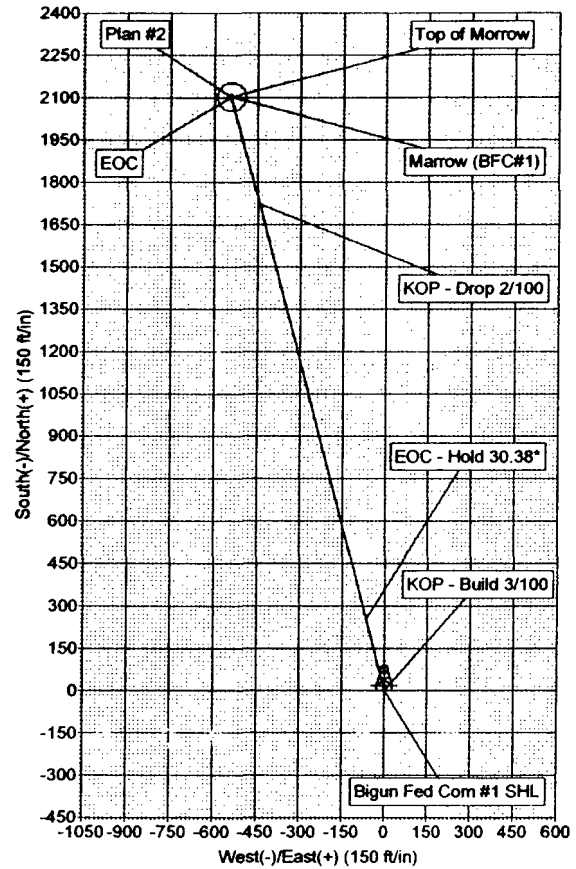
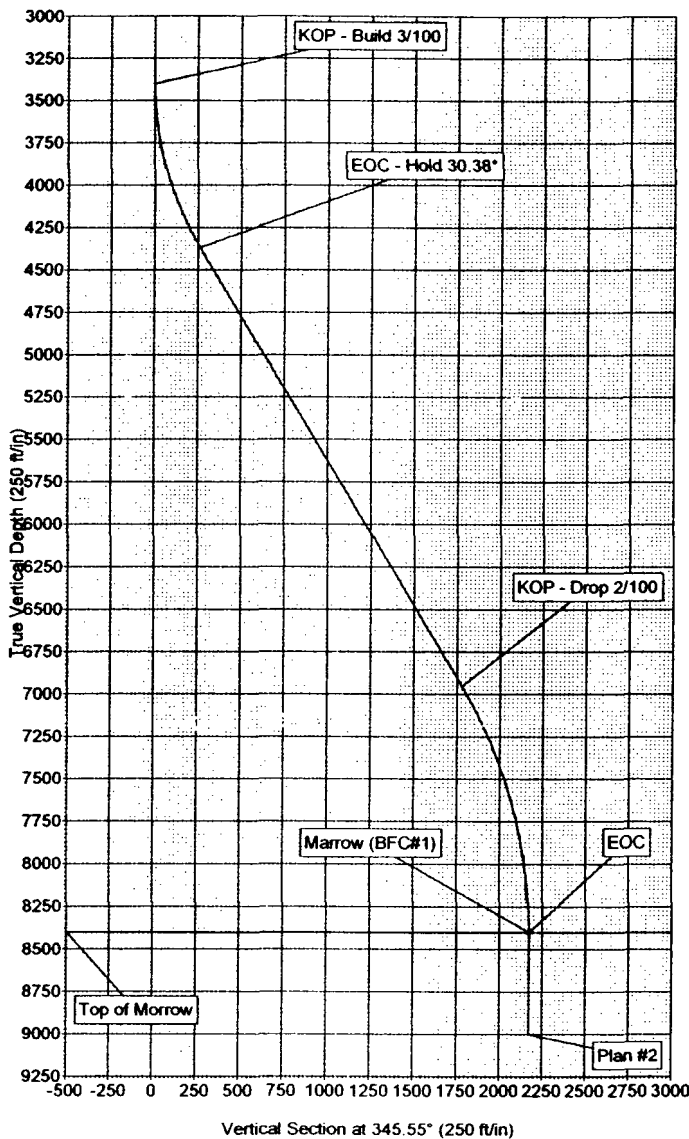




Azimuths to Grid North  
 True North: 0.17°  
 Magnetic North: 0.00°  
 Magnetic Field  
 Strength: 40318.5nT  
 Dip Angle: 80.36°  
 Date: 12/25/2005  
 Model: IGRF2005-10

## RDR Operating

Project: Eddy Co., New Mexico  
 Site: Bigun Fed Com #1  
 Well: Bigun Fed Com #1  
 Wellbore: Stant #1  
 Plan: Plan #2



Plan: Plan #2 (Bigun Fed Com #1/Start #1)  
 Created By: John Hollenberg Date: 01/26/2005  
 Checked: \_\_\_\_\_ Date: \_\_\_\_\_

ANNOTATIONS			
TVD	MD	Annotation	
3400.00	3400.00	KOP - Build 3/100	
4395.79	4412.56	EOC - Hold 30.38°	
6951.32	7409.52	KOP - Drop 2/100	
8400.00	8628.36	EOC	

SECTION DETAILS										
Sec	MD	Inc	Azi	TVD	+N/-S	+E/-W	DLeg	TFace	VSec	Target
1	3400.00	0.00	345.55	3400.00	0.00	0.00	0.00	0.00	0.00	
2	4412.56	30.38	345.55	4395.79	253.89	-85.43	3.00	345.55	282.19	
3	7409.52	30.38	345.55	6951.32	1721.46	-443.65	0.00	0.00	1777.71	
4	8628.36	0.00	345.55	8400.00	2102.30	-541.80	2.00	180.00	2170.99	Marrow (BFC#1)
5	9528.36	0.00	345.55	9000.00	2102.30	-541.80	0.00	345.55	2170.99	

# Exhibit "F"

## Bigun Fed Com #1 Plan #2 Report 01-26-05

RDR Operating

Bigun Fed Com #1 - Plan #2

Eddy Co., New Mexico

Bigun Fed Com #1

Measured			Vertical			Vertical	Dogleg
Depth	Incl.	Azim.	Depth	Northings	Eastings	Section	Rate
(ft)			(ft)	(ft)	(ft)	(ft)	(°/100ft)
3400.00	0.000	345.548	3400.00	0.00 N	0.00 E	0.00	0.00
3500.00	3.000	345.548	3499.95	2.53 N	0.65 W	2.62	3.00
3600.00	6.000	345.548	3599.63	10.13 N	2.61 W	10.46	3.00
3700.00	9.000	345.548	3698.77	22.77 N	5.87 W	23.51	3.00
3800.00	12.000	345.548	3797.08	40.41 N	10.42 W	41.74	3.00
3900.00	15.000	345.548	3894.31	63.02 N	16.24 W	65.08	3.00
4000.00	18.000	345.548	3990.18	90.52 N	23.33 W	93.48	3.00
4100.00	21.000	345.548	4084.43	122.84 N	31.66 W	126.85	3.00
4200.00	24.000	345.548	4176.81	159.89 N	41.21 W	165.12	3.00
4300.00	27.000	345.548	4267.06	201.58 N	51.95 W	208.16	3.00
4400.00	30.000	345.548	4354.93	247.78 N	63.86 W	255.87	3.00
4412.56	30.377	345.548	4365.79	253.89 N	65.43 W	262.19	3.00
4500.00	30.377	345.548	4441.22	296.71 N	76.47 W	306.41	0.00
4600.00	30.377	345.548	4527.49	345.68 N	89.09 W	356.97	0.00
4700.00	30.377	345.548	4613.77	394.65 N	101.71 W	407.54	0.00
4800.00	30.377	345.548	4700.04	443.62 N	114.33 W	458.11	0.00
4900.00	30.377	345.548	4786.31	492.58 N	126.95 W	508.68	0.00
5000.00	30.377	345.548	4872.58	541.55 N	139.57 W	559.25	0.00
5100.00	30.377	345.548	4958.85	590.52 N	152.19 W	609.82	0.00
5200.00	30.377	345.548	5045.12	639.49 N	164.81 W	660.39	0.00
5300.00	30.377	345.548	5131.40	688.46 N	177.43 W	710.95	0.00
5400.00	30.377	345.548	5217.67	737.43 N	190.05 W	761.52	0.00
5500.00	30.377	345.548	5303.94	786.40 N	202.67 W	812.09	0.00



# Exhibit "F"

## Bigun Fed Com #1 Plan #2 Report 01-26-05

5600.00	30.377	345.548	5390.21	835.36 N	215.29 W	862.66	0.00
5700.00	30.377	345.548	5476.48	884.33 N	227.91 W	913.23	0.00
5800.00	30.377	345.548	5562.76	933.30 N	240.53 W	963.80	0.00
5900.00	30.377	345.548	5649.03	982.27 N	253.15 W	1014.37	0.00
6000.00	30.377	345.548	5735.30	1031.24 N	265.77 W	1064.93	0.00
6100.00	30.377	345.548	5821.57	1080.21 N	278.39 W	1115.50	0.00
6200.00	30.377	345.548	5907.84	1129.18 N	291.01 W	1166.07	0.00
6300.00	30.377	345.548	5994.11	1178.14 N	303.63 W	1216.64	0.00
6400.00	30.377	345.548	6080.39	1227.11 N	316.25 W	1267.21	0.00
6500.00	30.377	345.548	6166.66	1276.08 N	328.87 W	1317.78	0.00
6600.00	30.377	345.548	6252.93	1325.05 N	341.49 W	1368.35	0.00
6700.00	30.377	345.548	6339.20	1374.02 N	354.11 W	1418.91	0.00
6800.00	30.377	345.548	6425.47	1422.99 N	366.73 W	1469.48	0.00
6900.00	30.377	345.548	6511.74	1471.95 N	379.35 W	1520.05	0.00
7000.00	30.377	345.548	6598.02	1520.92 N	391.97 W	1570.62	0.00
7100.00	30.377	345.548	6684.29	1569.89 N	404.59 W	1621.19	0.00
7200.00	30.377	345.548	6770.56	1618.86 N	417.21 W	1671.76	0.00
7300.00	30.377	345.548	6856.83	1667.83 N	429.83 W	1722.33	0.00
7409.52	30.377	345.548	6951.32	1721.46 N	443.65 W	1777.71	0.00
7500.00	28.567	345.548	7030.08	1764.57 N	454.76 W	1822.22	2.00
7600.00	26.567	345.548	7118.73	1809.38 N	466.31 W	1868.50	2.00
7700.00	24.567	345.548	7208.93	1851.17 N	477.08 W	1911.65	2.00
7800.00	22.567	345.548	7300.58	1889.88 N	487.06 W	1951.63	2.00
7900.00	20.567	345.548	7393.58	1925.48 N	496.23 W	1988.39	2.00
8000.00	18.567	345.548	7487.80	1957.91 N	504.59 W	2021.88	2.00
8100.00	16.567	345.548	7583.13	1987.13 N	512.12 W	2052.06	2.00
8200.00	14.567	345.548	7679.46	2013.12 N	518.82 W	2078.90	2.00
8300.00	12.567	345.548	7776.66	2035.83 N	524.67 W	2102.36	2.00
8400.00	10.567	345.548	7874.63	2055.25 N	529.67 W	2122.41	2.00
8500.00	8.567	345.548	7973.23	2071.34 N	533.82 W	2139.03	2.00
8600.00	6.567	345.548	8072.35	2084.10 N	537.11 W	2152.20	2.00

## Exhibit "F"

		Bigun	Fed Com #1	Plan #2	Report 01-26-05		
8700.00	4.567	345.548	8171.88	2093.49 N	539.53 W	2161.90	2.00
8800.00	2.567	345.548	8271.68	2099.52 N	541.08 W	2168.12	2.00
8900.00	0.567	345.548	8371.64	2102.16 N	541.76 W	2170.85	2.00
8928.36	0.000	345.548	8400.00	2102.30 N	541.80 W	2170.99	2.00
9000.00	0.000	345.548	8471.64	2102.30 N	541.80 W	2170.99	0.00
9100.00	0.000	345.548	8571.64	2102.30 N	541.80 W	2170.99	0.00
9200.00	0.000	345.548	8671.64	2102.30 N	541.80 W	2170.99	0.00
9300.00	0.000	345.548	8771.64	2102.30 N	541.80 W	2170.99	0.00
9400.00	0.000	345.548	8871.64	2102.30 N	541.80 W	2170.99	0.00
9500.00	0.000	345.548	8971.64	2102.30 N	541.80 W	2170.99	0.00
9528.36	0.000	345.548	9000.00	2102.30 N	541.80 W	2170.99	0.00

All data are in feet unless otherwise stated. Directions and coordinates are relative to Grid North.

Vertical depths are relative to WELL. Northings and Eastings are relative to well.

The Dogleg Severity is in Degrees per 100 feet.

Vertical Section is from Slot and calculated along an Azimuth of 345.550° (Grid).

Coordinate System is NAD 1927 (NADCON CONUS) US State Plane 1927 (Exact solution), New Mexico East 3001.

Central meridian is -104.333°.

Grid Convergence at Surface is -0.166°.

Based upon Minimum Curvature type calculations, at a Measured Depth of 9528.36ft., the Bottom Hole Displacement is 2170.99ft., in the Direction of 345.550° (Grid).

## HYDROGEN SULFIDE DRILLING OPERATIONS PLAN

**RDR OPERATING INC.**  
**BIGUN FEDERAL COM #1**  
**SURFACE: 1200 FNL, 1800 FWL**  
**Sec 18 T21S R23E**  
**BHL: 900 FSL, 1250 FWL**  
**Sec 7 T21S R23E**  
**Eddy County, NM**

### I. Hydrogen Sulfide Training.

All personnel, whether regularly assigned, contracted or employed on an unscheduled basis, will receive training from a qualified instructor in the following areas prior to commencing drilling operations on this well:

1. The hazards and characteristics of hydrogen sulfide (H<sub>2</sub>S).
2. The proper use and maintenance of personal protective equipment and life support systems.
3. The proper use of H<sub>2</sub>S detectors, alarms, warning systems, briefing areas, evacuation procedures, and prevailing winds.
4. The proper techniques of first aid and rescue procedures.

In addition the supervisory personnel will be trained in the following areas:

1. The effect of H<sub>2</sub>S on metal components. If high tensile tubulars are to be used, personnel will be trained in their special maintenance requirements.
2. Corrective action and shut-in procedures when drilling or reworking a well and blowout prevention and well control procedures.
3. The contents and requirements of the H<sub>2</sub>S Drilling Operations Plan.

There will be an initial training session just prior to encountering a known or probable H<sub>2</sub>S zone (within 3 days or 500 feet) and weekly H<sub>2</sub>S and well control drills for all personnel in each crew. The initial training session shall include a review of the site specific H<sub>2</sub>S Drilling Operations Plan. This plan shall be available at the well site. All personnel will be required to carry documentation that they have received the proper training.

## II. H2S Safety Equipment and Systems.

**NOTE:** All H2S safety equipment and systems will be installed, tested, and operational when drilling reaches a depth of 500 feet above or three days prior to penetration the first zone containing or reasonable expected to contain H2S.

### 1. Well Control Equipment:

- A. Flare line.
- B. Choke manifold.
- C. Blind rams and pipe rams to accommodate all pipe sizes with properly sized closing unit.
- D. Auxiliary equipment to include: annular preventer

### 2. Protective equipment for essential personnel:

- A. 5-minute escape units located in the dog house and 30-minute air units at briefing areas, as indicated on well site diagram.

### 3. H2S detection and monitoring equipment.

- A. 3-portable H2S monitors positioned on location for best coverage and response. These units have warning lights and audible sirens when H2S levels of 20 PPM are reached.
- B. 1-portable SO2 monitor positioned near flare line during H2S flaring operations.

### 4. Visual warning systems:

- A. Wind direction indicators as shown on well site diagram.
- B. Caution/Danger signs shall be posted on roads providing direct access to location. Signs will be painted a high visibility yellow with black lettering of sufficient size to be a readable distance from the immediate location.

5. Mud Program:

The mud program has been designed to minimize the volume of H<sub>2</sub>S circulated to the surface. Proper mud weight safe drilling practices and the use of H<sub>2</sub>S scavengers when necessary will minimize hazards when penetrating H<sub>2</sub>S bearings.

6. Metallurgy:

A. All drill strings, casings, tubing, wellhead, blowout preventers, drilling spools kill lines, choke manifold and lines valves shall be suitable for H<sub>2</sub>S service.

B. All elastomers used for packing and seals shall be H<sub>2</sub>S trimmed.

7. Communications:

A. Radio communications will be available in company vehicles and rig dog house.

8. Well Testing:

A. Drill stem testing will be performed with a minimum number of personnel in the immediate vicinity, which are necessary to safely and adequately conduct the test. The drill stem testing of any known formation that contains H<sub>2</sub>S will be conducted during daylight hours.

**RDR OPERATING, INC.**  
**HOLLYHOCK CORP., G. P.**

Roger T. Elliott  
Certified Professional Landman



415 W. Wall, Suite 1510A  
Midland, Texas 79701  
Office (432) 687-5969  
Fax (432) 682-6887  
Cell (915) 867-6835

January 28, 2005

Bureau of Land Management  
Roswell Field Office  
2909 W. Second Street  
Roswell, NM 88201-2019

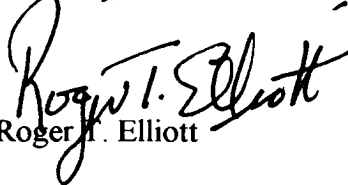
Re: Application for Permit to Drill  
Or Re-Enter  
Bigun Federal Com. #1 Well  
Township 21 South, Range 23 East, NMPM  
Section 7: S/2  
Eddy County, New Mexico

Gentlemen:

Please find enclosed for your further handling one original and five (5) copies of our Application for Permit to Drill or Re-Enter for the referenced well. This application is being resubmitted because of our meeting and conversation with Barry Hunt and is in lieu of our original request on August 5, 2004 and January 21, 2005.

Upon your approval, please return one executed copy back to us at your earliest convenience. Thank you.

Sincerely,

  
Roger T. Elliott

1999)

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

N.M. Oil Cons. DIV-Dist. 2  
1301 W. Grand Avenue

FORM APPROVED  
OMB No. 1004-0135  
Expires November 30, 2000

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or reenter an abandoned well. Use Form 3160-3 (APD) for such proposals.

Lease Serial No.

LC-065300

6. If Indian, Allottee or Tribe Name

7. If Unit or CA/Agreement, Name and/o

8. Well Name and No.

Bigun BGU Federal Com. #1

9. API Well No.

10. Field and Pool, or Exploratory Area

Wildcat Morrow

**SUBMIT IN TRIPLICATE - Other instructions on reverse side**

1. Type of Well

☐ Oil Well ☒ Gas Well ☐ Other

2. Name of Operator

Yates Petroleum Corporation

3a. Address

105 South Fourth Street, Artesia, NM 88210

3b. Phone No. (include area code)

(505) 748-1471

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

1200' FNL and 1800' FWL SHL

900' FSL and 1250' FWL BHL

Section 18, T21S-R23E

Section 7, T21S-R23E

Eddy County, New Mexico

Eddy County, New Mexico

12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input checked="" type="checkbox"/> Other Change of Operator.
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	

13. Describe Proposed or Completed Operations (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recompleat horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompleat in a new interval, a Form 3160-4 shall be filed once Testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

Please change the operator for the captioned well from RDR Operating to Yates Petroleum Corporation.

Please change the original name of this well from the Bigun Federal Com. #1 to the Bigun BGU Federal Com. #1.

Thank you.

APPROVED

APR 1 - 2005

LES BABYAK  
PETROLEUM ENGINEER

14. I hereby certify that the foregoing is true and correct

Name (Printed/Typed)

Cy Cowan

Title

Regulatory Agent

Signature

Date

April 1, 2005

THIS SPACE FOR FEDERAL OR STATE USE

Approved by

Title

Date

Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Office

Title 18 U.S.C. Section 1001, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

(Instructions on reverse)